

## FACTS ABOUT

## **Regulation for Small Fleets of In-Use On-Road Diesel Vehicles**

*Less stringent requirements for owners of one to three vehicles*

On December 11, 2008, the California Air Resources Board (ARB) will consider a new regulation to significantly reduce emissions from existing on-road diesel vehicles operating in California. As discussed further below, the regulation contains less stringent provisions for small fleets. For additional information regarding this regulation please see: [Overview of the Regulation to Reduce Emissions from In-Use On-Road Diesel Vehicles](#).

### **How does the proposed regulation define a small fleet?**

A small fleet is any fleet operating in California with one to three vehicles.

### **What would the regulation require of small fleets and when would the requirements take effect?**

Small fleets would be exempt from all clean up requirements of the regulation through 2012. Then, by January 1, 2013, a small fleet would need to show that it had at least one vehicle equipped with a 2004 model year or newer engine having a verified diesel particulate matter (PM) exhaust retrofit. By January 1, 2018, that vehicle would then need to meet the PM and oxides of nitrogen (NOx) performance requirements of the regulation.

For fleets with two vehicles, the second vehicle would be required to meet the PM and NOx performance requirements by January 1, 2014. For fleets of three vehicles, two options are available. The fleet could comply by having its two remaining vehicles meet the PM and NOx performance requirements by January 1, 2014, or could elect to have the second vehicle meet the 2010 new engine standards by January 1, 2014, with the same requirements for the third vehicle delayed until January 1, 2016.

### **How would the requirements for small fleets differ from those for larger fleets?**

The small fleet requirements are delayed 2 years later than those for large fleets, and small fleets receive extra time to operate one vehicle with an older 2004 model year engine. However, to take advantage of these provisions, a small fleet operator would need to annually report information about their fleet.

### **Why does the proposed regulation include different, less stringent requirements for small fleets?**

Almost 50 percent of the affected vehicles registered in California are owned by fleets that have three or fewer diesel vehicles. Small fleets tend to operate older vehicles and have fewer financial resources available to them when compared to larger fleets. Because of the limited number of vehicles in each of these fleets, small fleets also would not be able to effectively take full advantage of flexibility options provided in the regulation. Finally, providing additional time lowers the cost of compliance and provides more opportunities for small fleets to take advantage of incentives.

### **What if a diesel retrofit was not available or could not be safely installed for a particular vehicle?**

If a vehicle cannot be equipped with the highest level verified PM exhaust retrofit, the fleet owner may annually request a one year extension of the compliance deadline for the requirement. If a fleet owner believes that the highest level verified exhaust retrofit for a vehicle impairs the safe operation of the vehicle, the owner would be able to request the ARB to find that the retrofit should not be considered the highest level available. The owner would have to provide documentation to support its claims.

### **Are there special provisions proposed for low-use vehicles?**

Yes, low use vehicles (that operate less than 1,000 miles and less than 100 hours per year in California) are exempt from all of the vehicle clean up requirements. Depending on the weight

class of the vehicle, those operating less than 7,500 (greater than 33,000 pounds gross vehicle weight rating (GVWR)) or 5,000 (less than 33,000 pounds GVWR) miles per year would not be subject to any engine or vehicle replacement requirements until January 1, 2021, but would still be required to have a PM control device.

### **Will incentive funding be available to help small fleets?**

Yes, there are a number of incentives programs available to small fleets. California has the largest clean air incentive program in the nation, the Carl Moyer Program, with more than \$140 million available each year primarily through the local air districts for on-road, off-road, and other diesel engines. Changes to the Carl Moyer Program Guidelines are also being made to more effectively assist small fleets. These changes would make small fleets eligible for incentive funding to comply with the January 1, 2013 compliance deadline through the end of 2010. In addition, the first vehicle in a small fleet could be eligible for incentive funding up to January 1, 2013 if being replaced with one having a 2010 model year engine.

In addition, through the Goods Movement Emissions Reduction Program (created by Proposition 1B), \$360 million has been allocated to reducing emissions from trucks transporting goods through key transportation corridors (with another \$400 million for trucks going to ports and railyards). Staff is proposing to expand eligibility for the Program by allowing small cargo trucks to compete for funding and letting small fleets (1 to 3 trucks) replace trucks only two years in advance of regulatory requirements (BACT) for NOx. Small fleets are also the focus of a new combined grant/loan guarantee option for truck owners.

The Air Quality Improvement Program created by Assembly Bill 118 also has about \$48 million available in the State's fiscal year 2008-09 budget for loans to aid fleets that would be impacted by the regulation. It is expected that this money, if used to provide government backed loans, can leverage more than \$350 million in low interest private sector lending.

Many Federal and State programs are administered by local agencies so vehicle owners should check with their local air quality management district for funding opportunities.

### **Where can I find more information about the regulation?**

The staff report and technical support document for the regulation are posted at:  
<http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm>

### **For additional general information**

Please contact ARB's diesel hotline at (866) 6DIESEL (634-3735). You may also obtain this document in an alternative format by contacting ARB at: (916) 322-4505 (voice); (916) 324-9531 (TDD, Sacramento area only); or (800) 700-8326 (TDD, outside Sacramento). TTY/TDD/Speech-to-Speech users may dial 711 for the California Relay Service.